

WASHINGTON, D.C. Today, Congressman Sanford Bishop helped move forward a bill that contains \$9.6 Billion to fund a buyout for U.S. tobacco farmers. The bill, known as the American Jobs Creation Act of 2004 (HR 4520) contains a provision that if enacted would provide economic relief for farmers at the same time that it eliminates the Depression era quota system in favor of a free market for American tobacco. HR. 4520 passed the House of Representatives by a margin of 251 to 178.

“If this buyout becomes law, it would mean nearly \$550 million for Georgia’s economy, which would be an economic shot in the arm for farm families in Southwest Georgia, many of whom have seen their farms devalued by as much as 60% in recent years,” said Congressman Bishop. “Additionally, such a buyout would answer many tobacco critics by effectively removing the federal government from the business of supplementing its growth. While the American Jobs Creation Act is a far from perfect bill in its entirety, I was proud to support a measure that creates a win-win situation for so many of my constituents.”

If HR 4520 is enacted, compensation will be based on the 2002 quota (\$7/lb for owners and \$3/lb for growers) with payments being made over a period of five years. The current system has been in place since the Great Depression and as many have argued is deteriorating the ability of American farmers to compete with inexpensive foreign tobacco.

In addition to the tobacco buyout, HR 4520, introduced by Chairman Bill Thomas in the House Ways and Means Committee, repeals a tax break for U.S. exporting companies that has been ruled illegal by the World Trade Organization and includes a wide array of tax cuts for businesses, including the Reforestation Tax Act for timber owners. After passing the House of Representative, HR4520 will go to the Senate for consideration.